

A meeting of the Neighborhood Associations was held on **May 15, 2019 at 10:00 a.m.** at City Hall in the Planning Department's first floor conference room, 1911 Boundary Street. In attendance were the Neighborhood Association Representatives and City Staff.

**CITY MANAGER, BILL PROKOP, SUMMARY PRESENTATION OF CITY'S PROPOSED BUDGET FOR UPCOMING FISCAL YEAR. [See attached presentation].**

City Manager, Bill Prokop, went over the City's Recommended FY20 Budget. Mr. Prokop said he is submitting the proposed budget for the fiscal year 2020 as a balanced budget designed to focus on results and addresses the seven major goals of our Strategic Plan. He said their overriding goal with this budget is to address the needs of our citizens today, while preparing the community for a more balanced and prosperous future. Mr. Prokop went over the Consolidate Revenue Budget Summary which includes the Percentage of Expenditures covered by Revenues and where the money comes from. He also went over the highlights of the budget such as Property Tax estimates, Salaries and benefits, operations, capital items and debt. Mr. Prokop also went over the process of renovation the Arsenal. He also said the Greenlawn Drive project will start this week with ditch and drainage cleaning. We only have our normal debt this year; no new debt. Mr. Prokop asked if there were any questions. Edie Rodgers asked when the final engineering will be done. Regarding the budget, she said, "compared to their larger city's population, as far as, are we higher or lower"? Mr. Prokop said we are at the lower end of other people are at. Ms. Rodgers commented that vehicle tax is decreasing. Mr. Prokop said the County Auditor said it will happen, taxing on what the car is actual taxed on. Ms. Rodgers asked if all of the Arsenal windows are being replaced. Mr. Prokop said yes because the roof leaked and then the windows had water intrusions.

Mr. Prokop said, June 25 (last Tuesday of June), we will have the public hearing on the budget. So far, we've only had three people attend our public meetings on the budget. Copies of the budget are available at City Hall and on our website, [www.cityofbeaufort.org](http://www.cityofbeaufort.org). Councilman McFee said staff and department heads have done a great job.

Mr. Harvey asked about the 2020-2050 predictions. He feels if we don't get a handle on the environment and quality of life now, we won't have a handle on the future. City Manager agreed and referred to the doors at City Hall and Municipal Court that are peeling that costs \$14,000 each. Mr. Prokop said, "we will be addressing this". Mr. Prokop referred to the people on the 2030 Committee. Ms. Merrill said, "duplication of service also results in duplication of cost". Ms. Rodgers commented that the City of Beaufort services over 6,000. Mr. Prokop said Ribaut Road has 47,000 cars passing on one day.

Mr. Meola acknowledged Councilman Mike McFee and asked if anything to add. Mr. McFee said the budget process is keeping council busy. He said Mossy Oaks Task Force will be starting up along Jane Way. A press release has been advertised. Spring season with cleaning drainages is ongoing.

## **NEWS FROM CITY STAFF AND STRATEGIC PARTNERS**

**Waste Pro Representative** said we have schedules and information available today. He said he's noticed the Trac-E System is not being used correctly as well as the bulk items requests. He reminded the group that the website is explanatory.

Sue Sagui was asked to bring up issues with about the trash containers. She said new people who are not used to recycling are having troubling knowing which is which. One container has a blue lid with a green base and the other has a green lid with a blue base. There is a recycle symbol on that bin, Waste Pro said.

**The Greenery, Reynaldo Gonzales**, said we are in the transition period. He mentioned that Mike Fowlkes is no longer with The Greenery. Mr. Brandon Duitsman is our new Branch Manager. Mr. Duitsman introduced himself and said we are finishing up the Waterfront Park; planting at Luther's and we had some issues after the Taste of Beaufort. Flowers are also being done at the Waterfront Park tomorrow. Bay Street to the park we are cleaning up the alleys. Mr. Duitsman said he will be attending the Gullah Meeting tomorrow for their upcoming festival. Also, turf fertilization is ongoing, and stakes are out now. Lastly, he said to be aware of the snakes that are out now, specially under leaves.

**City Public Works Department, Neil Desai**, went over things h is department is working on:

- Pigeon Point Park playground toddler swing will be fixed soon.
- Washington Street Park bathroom is in the close out stage.
- Greenlawn streetscape prep work for trees this week.
- Arsenal roof replacement is ongoing.
- Jane Way canal is out for bid and will begin in June.
- Broad Street street sweeping will be May 23.
- Twin Lakes drainage starting soon and afterwards will surface road.

Ms. Sagui mentioned that one block west of Bladen Street there is a drain issue. She has received complaints. There is a big Magnolia tree over the drain that clogs it. The drains are on both sides of Duke.

Resident asked what the plan for Twin Lakes is. He said one side was done, but on his side the trees were taken down and some fell in the pond and on his property. Mr. Desai said we will work on his side there will be an outfall parallel to which links to his side and on Southside Boulevard. Resident asked if the drainage will ever be resolved. Mr. Desai said yes that is what the outfall is for. Resident said right now he's afraid it will be when he backs out of this driveway and people driving by swerve to avoid it.

Dan Ahern asked about the status of Allison Road. Mr. Desi said we are re-evaluated engineer plans and cost savings. Our engineers are talking with the developer's engineer.

Ms. Merrill asked for an update for the Pigeon Point Road paving. Mr. Desai said there is a pre-con meeting Thursday that he is attending.

**Director of Down Operations, Linda Roper**, said her department is gearing up for the Gullah Festival. Ms. Roper went over other events that will be happening in the City of Beaufort:

- Saturday, 5/18, YMCA will have their river swim at the Port Royal Marina
- Gullah Festival is this Friday and Saturday
- Tabernacle Church is having a walk and run at 8 am; bridge will be closed
- Church at North and Charles is having some events
- Declaration Day is Monday at the Washington Street Park
- Memorial Day weekend will be at 10 am
- First Friday event is June 1<sup>st</sup> and the theme is "Father's Day"
- Dragon Boat races are later in June

Edie Rodgers mentioned that the Piccolo Spoleto artists was a great edition to the event.

Mr. Prokop mentioned the City of Beaufort Police Movie Club. Registration is May 22 and May 23. The Movie Club will be at Beaufort High School and the school is being very supportive and helping with the snacks. The limit of kids t his year will be 200. If you would like to volunteer, you can contact Lt. Squires at the Police Department. The Movie Club has been going on for 44 years now.

Ms. Rodgers said she loves the benches painted by local artist. She asked if there is a map for the location of the benches. Ms. Roper said the benches are not installed yet but will be in late June. The shuttle stops at all the locations (1-digital corridor, 2-Waterfront Park, 3-USCB, 4-reconstructed firehouse, 5-St. Helena Museum).

**City Fire Department, Matt Badger**, thanked everyone for their support. He said June 1<sup>st</sup> is hurricane season and reminded everyone to be prepared. We have been in the target area the last few years. He said to keep update with Facebook and other social media sources. Know your evacuation plan and get an early start on your supplies, especially sandbags. He reminded the group about smoke detectors and said the Fire Department goes out every other Saturday to communities. We also can check your existing smoke detectors to make sure they are working, he said.

**Building Codes, Bruce Skipper, Building Official**, said he heard a rumor that the flood maps might be close to being done, but had not from FEMA yet. He's being optimistic and maybe they will out within the year. He said there has been some appeals to be worked out.

**Codes Enforcement, Ken Meola**, said he didn't have anything to report. If anyone has issues or sees something to contact him.

## **NEWS FROM THE NEIGHBORHOOD ASSOCIATION REPRESENTATIVES**

**Northwest Quadrant, Dave Easton,** said their meeting is May 23 at 6:30 pm in the Education Building at the Presbyterian Church. We will be voting on new By Laws.

**Old Commons, Mr. Harvey,** said our meeting is tomorrow with a covered dish.

**Pigeon Point, Kay Merrill,** said the garden will be on the "Garden of the Day". Councilman, Mike McFee, commented that they did a great job on Christensen Park, Pigeon Point Park, and the signs and gates. Ms. Merrill said we installed a new bench in the Christensen Park and dedicated it to a resident who is turning 98. Mr. Harvey asked if Ms. Merrill talked about the history of the "tabby". Ms. Merrill said it's not real tabby. At the end of the Civil War (1925-1926) for Beaufort Shore led by the Christensen family. Financially only two houses were built.

Next Meeting is June 19, 2019

The meeting was adjourned at 11:15 a.m.

# CITY OF BEAUFORT, SC



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**FISCAL YEAR 2020  
CITY MANAGER'S**

**RECOMMENDED BUDGET**

**PRESENTED APRIL 23, 2019**



## CITY MANAGER'S MESSAGE

### *WHERE HISTORY, CHARM, AND BUSINESS THRIVE*

April 23, 2019

Mayor Keyserling and members of the Beaufort City Council:

As we prepare this budget, we are fortunate to have many residents and visitors appreciate Beaufort's character, as demonstrated by ongoing accolades from popular, national publications, as well as the engagement displayed by many citizens. This budget will follow the many interesting goals and initiatives we have underway that aim to usher in fresh dialogue and protect what makes this community special.

The Beaufort 2030 Futures Lab and the Council Retreat have helped us look at trends, good and bad, and they will create larger, ongoing conversations and call to action for residents, businesses, non-profits, and other government agencies to become part of our community and to find their identity with the City of Beaufort, by working alongside each other to help us grow and develop our City in a healthy way.

*"the distinction between the past, present and future is only a stubbornly persistent illusion"*

**ALBERT EINSTEIN**

Einstein's famous quote has other more relevant applications to local governments like us. Several of these are particularly applicable to the FY 2019/2020 budget, including 1) Are we still in the midst of a long recovery or are we nearer to the next big downturn; 2) Is the City of Beaufort rural, suburban, or urban -what do we want it to be: 3) Are we preparing for the future, protecting the past or creating the present (recognizing that some of our goals and trends span the gamut).

In order to execute any of these goals and new initiatives, we must execute smart financial planning that allows a stable and predictable tax rate, while maintaining a high level of services to our citizens. Each year, this includes both predictable and new challenges.

The primary challenge facing FY 2020 comes from the investment we must make in infrastructure, especially stormwater management and developing plans for addressing rising sea levels. Although the City has experienced significant new growth, this growth has been absorbed by our required investment in our many infrastructure needs.

We are continuing to work with the county and our legislature to stop the downshifting of cost and to identify additional revenue opportunities, like supporting a Local Option Sales Tax (LOST) for cities and towns.

Maintaining infrastructure in good condition and planning for future environmental affects is critical to economic development, public safety, and high quality of life, and is identified as a priority in our Strategic Plan along with the need to provide housing that is affordable for our workforce.



I submit the proposed budget for the fiscal year 2019/2020 (FY 2020). This balanced budget is designed to focus on results and addresses the seven major goals in our Strategic Plan. Our overriding goal with this budget is to address the needs of our citizens today, while preparing the community for a more balanced and prosperous future.

Specifically, the proposed FY 2020 annual operating budget of \$23,645,812, across all funds is \$669,889 more than last year's original budget of \$22,975,923, an increase of 2.9%. For the General Fund in particular, the proposed budget is \$18,055,390, an increase of 2% over the original adopted budget for the current fiscal year. The only proposed increase to revenues is a 2.2% CPI increase to the property tax millage rate in accordance with Council's direction to apply this increase annually. Our staff has worked hard to provide strategies to fund what is needed today, what is desired for tomorrow, and appropriately plan for what the future may bring to the best of their ability.

Beaufort is a growing city that is becoming more and more popular and services a population of over 60,000 people. Our residents receive a full array of quality municipal services, ranging from public safety to solid waste. This budget provides for the continuation of all municipal services at substantially the same if not better service levels as FY 2019. This budget does make modifications to several areas, largely stormwater management, economic development, and programs to achieve our goals to provide housing that is affordable.

In addition, this budget also supports the City Council's strategic goals in the following ways:

- Our Fund Balance Policy to ensure a unrestricted unassigned fund balance of 28%.
- Our investment in Economic Development will equate to approximately 10% of the Business License revenue.
- We will be investing over \$6.0 million in storm water projects in nine locations throughout the City and develop a plan to provide long-term resiliency.
- We will allocate significant funding to create housing that is affordable.
- We have allocated funding to support our work with community partners to solve issues that go beyond the city's sole responsibility.
- We have allocated funding to improve our use of technology, especially artificial Intelligence, throughout our departments.

This proposed budget focuses on maintaining a solid base of core services, advancing the City Council's strategic goals, and aligning our organizational structure in a more streamlined and responsive way. This budget allows the resources that we believe are necessary for us to stay on our current and ambitious course of completing our projects on time, on budget, and to provide excellent customer service to all our citizens and visitors.

I thank our entire City staff for their continued service to our community and assistance in the development of this recommended budget. I also, want to extend a special thank you to Rebecca Ryan, our Futurist Consultant, who made us look “outside our comfort zone” and to recognize some trends and facts that we are going to have to deal with. I thank our Finance Director, Kathy Todd and her staff for helping us put all the parts of this puzzle together in a very clearly presented document.

Finally, I would like to thank the City Council for this opportunity and for providing open, transparent, and clear expectations throughout the Strategic Plan and budget development process.

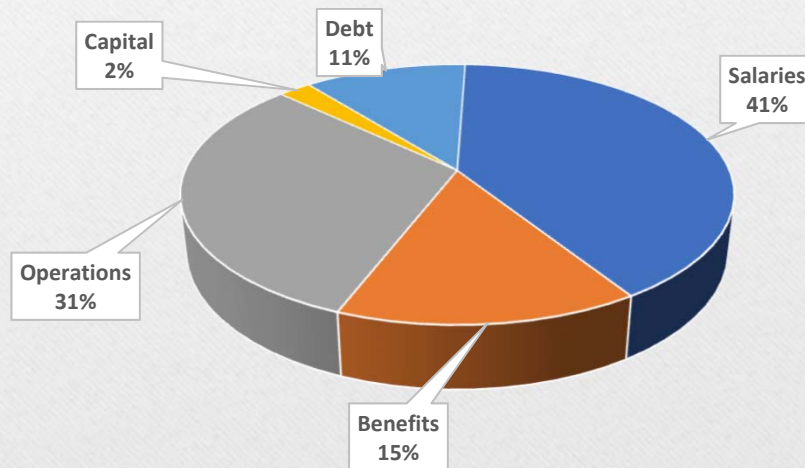
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Prokop', written in a cursive style.

William A. Prokop, City Manager

## Consolidated FY 2020 Recommended Budget

	General Fund	TIF II Fund	Parks & Tourism Fund	Stormwater Fund	State Accommodations Fund	Redevelopment Fund	Total
Revenues	\$ 17,850,389	\$ 90,000	\$ 3,554,826	\$ 1,100,000	\$ 555,000	\$ 12,400	\$ 23,162,615
Salaries	\$ 7,708,821	\$ -	\$ 1,434,478	\$ 347,349	\$ 16,618	\$ -	\$ 9,507,266
Benefits	2,831,434	-	536,403	136,791	7,952	-	3,512,580
Operating	5,519,363	-	1,129,777	294,147	328,930	12,400	7,284,617
Capital	165,000	-	40,000	182,000	150,000	-	537,000
Debt	1,830,772	-	309,098	507,909	-	-	2,647,779
Transfers Out	-	-	105,070	-	51,500	-	156,570
Total Expenditures	\$ 18,055,390	\$ -	\$ 3,554,826	\$ 1,468,196	\$ 555,000	\$ 12,400	\$ 23,645,812
Net (Deficit) Surplus	\$ (205,001)	\$ 90,000	\$ -	\$ (368,196)	\$ -	\$ -	\$ (483,197)

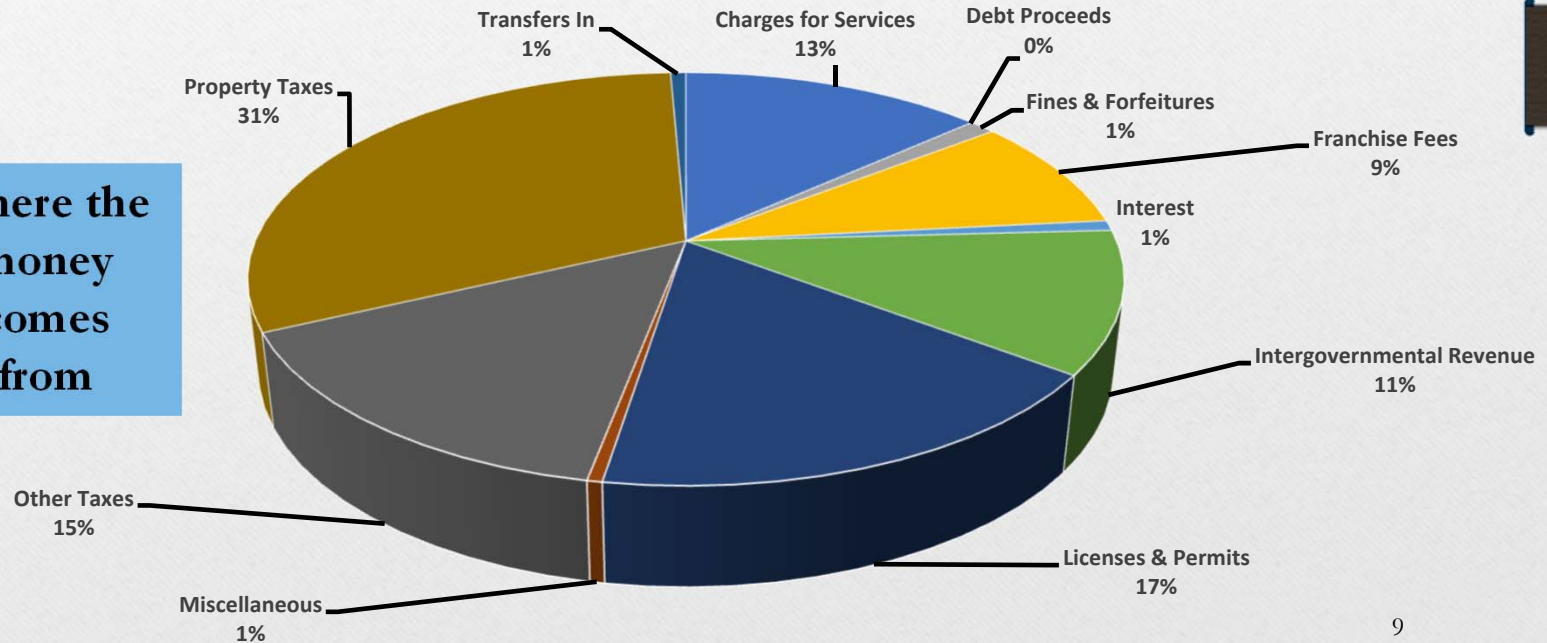


Percentage of Expenditures covered by Revenues.

## Consolidated Revenue Budget Summary

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Recommended Budget	Change	% Change
General Fund	\$ 17,760,884	\$ 17,660,321	\$ 17,850,389	\$ 156,068	0.88%
Special Revenue Funds					
Parks and Tourism Fund	3,349,375	3,504,985	3,554,826	49,841	1.42%
State Accommodations Fund	551,453	549,311	555,000	5,689	1.04%
Stormwater Fund	850,119	1,065,306	1,100,000	34,694	3.26%
TIF II Fund	179,425	-	90,000	90,000	100.00%
Redevelopment Fund	12,126	12,300	12,400	100	0.81%
	<u>\$ 22,703,381</u>	<u>\$ 22,792,223</u>	<u>\$ 23,162,615</u>	<u>\$ 336,392</u>	<u>1.48%</u>

**Where the money comes from**



## FY 2020 Consolidated Revenue Budget Highlights

- Property Tax estimates:
  - Taxable Assessed Value (TY 2019 estimated) = \$94,844,003
  - This represents an overall projected growth of \$1,911,703 or 2.1%
  - Real property taxable assessed value is projected to grow 4.5% over TY 2017, but personal property taxable assessed value is projected to decrease 12% and vehicle property tax is projected to decrease 9.7%.
  - Value of a Mil for TY 2018 is \$92,932 and \$94,844 for TY 2019.
- Property Tax in the General Fund includes an estimated growth and CPI increase in the operating mil of 2.2%, or 1.18 mils, no change to the debt mil over the previous year and a continuation of the reserve mils at 2 mils to fund future infrastructure repairs.
  - Growth adds an estimated \$163,117 and the mil adjustment for CPI adds \$111,881, for a total \$274,998 increase to the City's property tax revenues.
  - The recommended budget contains no increase to the debt mils and no increase to the reserve mil.
- Reimbursement of the SAFER grant for the Fire Department personnel adds \$484,000 to the General Fund intergovernmental revenues. This is a 27% decrease over the previous year as we move half way during FY 2020 into the 3<sup>rd</sup> year of the grant.
  - Reimbursement rate for first half of FY 2020 is 75% and 35% for the later half of the same fiscal year.

### **FY 2020 Consolidated Revenue Budget Highlights (cont'd)**

- Overall revenue growth of the General Fund is estimated at 0.9% over FY 2019 or \$156,068.
- Local hospitality and accommodations taxes reported in the Park & Tourism fund is estimated to increase by 1.4%, or \$49,841 over FY 2019.
- Stormwater Utility Fund revenues are estimated to increase 3.3% or \$34,694.

## Consolidated Expenditure Budget Summary

	FY 2018 Actual	FY 2019 Amended Budget	FY 2020 Recommended Budget	Change	% Change
<b>General Fund</b>					
Salaries	\$ 7,927,187	\$ 7,602,976	\$ 7,708,821	\$ 105,845	1.39%
Benefits	2,685,124	2,750,950	2,831,434	80,484	2.93%
Operations	4,895,335	5,392,988	5,519,363	126,375	2.34%
Capital	3,013,047	295,745	165,000	(130,745)	-44.21%
Debt	1,356,050	1,826,651	1,830,772	4,121	0.23%
Transfers Out	159,193	732,000	-	(732,000)	-100.00%
<b>Total General Fund</b>	<b>\$ 20,035,936</b>	<b>\$ 18,601,310</b>	<b>\$ 18,055,390</b>	<b>\$ (545,920)</b>	<b>-2.93%</b>
<b>Parks and Tourism Fund</b>					
Salaries	\$ 252,194	\$ 1,429,722	\$ 1,434,478	\$ 4,756	0.33%
Benefits	86,248	530,404	536,403	5,999	1.13%
Operations	723,492	1,157,749	1,129,777	(27,972)	-2.42%
Capital	347,334	94,800	40,000	(54,800)	-57.81%
Debt	309,098	309,109	309,098	(11)	0.00%
Transfers Out	-	-	105,070	105,070	100.00%
<b>Total Parks and Tourism Fund</b>	<b>\$ 1,718,366</b>	<b>\$ 3,521,784</b>	<b>\$ 3,554,826</b>	<b>\$ 33,042</b>	<b>0.94%</b>
<b>Stormwater Fund</b>					
Salaries	\$ 104,898	\$ 291,953	\$ 347,349	\$ 55,396	18.97%
Benefits	33,068	128,490	136,791	8,301	6.46%
Operations	438,668	289,557	294,147	4,590	1.59%
Capital	55,000	-	182,000	182,000	100.00%
Debt	-	546,420	507,909	(38,511)	-7.05%
Transfers Out	129,198	-	-	-	0.00%
<b>Total Stormwater Fund</b>	<b>\$ 760,832</b>	<b>\$ 1,256,420</b>	<b>\$ 1,468,196</b>	<b>\$ 211,776</b>	<b>16.86%</b>



## Consolidated Expenditure Budget Summary (Cont'd)

	<u>FY 2018 Actual</u>	<u>FY 2019 Amended Budget</u>	<u>FY 2020 Recommended Budget</u>	<u>Change</u>	<u>% Change</u>
<b>State Accommodations Fund</b>					
Salaries	\$ 76,552	\$ 35,704	\$ 16,618	\$ (19,086)	-53.46%
Benefits	21,132	16,376	7,952	(8,424)	-51.44%
Operations	431,182	446,016	328,930	(117,086)	-26.25%
Capital	-	-	150,000	150,000	100.00%
Transfers Out	51,323	51,216	51,500	284	0.55%
Total State Accommodations Fund	<u>\$ 580,189</u>	<u>\$ 549,312</u>	<u>\$ 555,000</u>	<u>\$ 5,688</u>	1.04%
<b>TIF II Fund</b>					
Operations	\$ 79,452	\$ 15,701	\$ -	\$ (14,000)	-100.00%
Capital	46,331	170,000	-	(170,000)	-100.00%
Transfers Out	4,226,184	2,387,423	-	-	0.00%
Total TIF II Fund	<u>\$ 4,351,967</u>	<u>\$ 2,573,124</u>	<u>\$ -</u>	<u>\$ (184,000)</u>	-100.00%
<b>Redevelopment Fund</b>					
Salaries	\$ 69,510	\$ -	\$ -	\$ -	0.00%
Benefits	24,047	-	-	-	0.00%
Operations	406,488	18,371	12,400	(5,971)	-32.50%
Capital	29,895	-	-	-	0.00%
Total Redevelopment Fund	<u>\$ 529,940</u>	<u>\$ 18,371</u>	<u>\$ 12,400</u>	<u>\$ (5,971)</u>	-32.50%
Total All Funds	<u>\$ 27,977,230</u>	<u>\$ 26,520,321</u>	<u>\$ 23,645,812</u>	<u>\$ (485,385)</u>	-1.83%

## **FY 2020 Consolidated Expenditure Budget Highlights**

### **Salaries and Benefits**

- Two and a half (2.5) new FTE's: Communications Coordinator in the City Manager's department, an additional Business License Inspector in the Finance Department and a part-time administrative assistant in the Fire Department.
- Increase in Retirement Contribution by PEBA of 1%.
- General Fund salaries and benefits increased 1.8%, Parks & Tourism salaries and benefits increased 0.55% and Stormwater salaries and benefits increased 18.97%.

### **Operations**

- Overall decrease of 2.55%: General Fund decreased 3.95% due to decrease in General Fund Revenues; Parks & Tourism increased a modest 1%; Stormwater increased 16.86%

### **Capital**

- Decrease of 4.2%, from \$560,545 in FY 2019 to \$537,000 in FY 2020.
- Stormwater Fund includes cost of an excavator and the State Accommodations fund proposed the use of \$150,000 toward the renovations of the Arsenal windows and bathroom.

### **Debt**

- The only increase in debt is from normal debt payments required for FY 2020. There is no new debt included in the recommended budget.